

LAW OFFICES OF

DECHERT PRICE & RHOADS

3400 CENTRE SQUARE WEST

1800 MARKET STREET

PHILADELPHIA, PA 19102

TELEX 24 2224 • BARDEF

(215) 972-2400

477 MADISON AVENUE
NEW YORK, NY 10022
(212) 929-2200

250 AVENUE LOUISE
1050 BRUSSELS, BELGIUM
(021) 947 25 22

52 WEDFORD SQUARE
LONDON W1C 2EA, ENGLAND
01- 831 3282

1700 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, DC 20006
(202) 729-2200

200 NORTH THIRD STREET
HARRISBURG, PA 17102
(717) 222-7247

MORRIS C. KELLETT
CABLE CHAT: (215) 972-2700

April 7, 1987

Mr. Frank Marzolf
United Way of Southeastern
Pennsylvania
Seven Benjamin Franklin Parkway
Philadelphia, PA 19103

Dear Frank:

Enclosed is a set of Resolutions relating to the changes in Pennsylvania law effected by the Directors' Liability Act. I suggest that the Executive Committee review these Resolutions and make a recommendation that they be adopted by the members at their May meeting.

An excerpt for the notice of the May meeting is also enclosed relating to the subject matter of the Resolutions.

Give me a call if you have any questions or if you want me to attend either or both of the meetings to explain the proposed Bylaw amendments.

Sincerely yours,



Morris C. Kellett

MCK:cmj
Enclosures

UNITED WAY OF SOUTHEASTERN PENNSYLVANIA

Proposed Resolutions for Adoption by the
Executive Committee and Members

RESOLVED, that the [Executive Committee] [Members] deem(s) it advisable to amend the Bylaws of the Corporation as follows:

1. A new Section 8 to Article II shall be added to read, in its entirety, as follows:

Section 8. Limitation On Liability.

A Trustee shall not be personally liable for monetary damages for any action taken, or any failure to take any action, unless (i) the Trustee has breached or failed to perform the duties of his office under Section 8363 of the Pennsylvania Directors Liability Act (relating to standard of care and justifiable reliance) and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this Section 8 shall not apply to (i) the responsibility or liability of a Trustee pursuant to any criminal statute or (ii) the liability of a Trustee for the payment of taxes pursuant to local, state or federal law. Any repeal or modification of this Section 8 shall be prospective only, and shall not affect, to the detriment of any Trustee, any limitation on the personal liability of a Trustee of the Corporation existing at the time of such repeal or modification.

2. The present Article IX shall be redesignated as Article X, and the following shall be inserted as a new Article IX:

ARTICLE IX

INDEMNIFICATION

Section 1. Right To Indemnification.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person

is or was a Trustee or officer of the Corporation, or while a Trustee or officer of the Corporation, is or was serving at the request of the Corporation as a Trustee, director or officer of another corporation, partnership, joint venture, trust or other enterprise, including an employee benefit plan, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation, to the extent that such person is not otherwise indemnified and to the extent that such indemnification is not prohibited by applicable law.

Section 2. Advance Of Expenses.

Expenses incurred by a Trustee or officer in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Trustee or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation.

Section 3. Procedure For Determining Permissibility.

To determine whether any indemnification or advance of expenses under this Article IX is permissible, the Board of Trustees by a majority vote of a quorum consisting of Trustees not parties to such action, suit or proceeding may, and on request of any person seeking indemnification or advance of expenses shall be required to, determine in each case whether the applicable standards in any applicable statute have been met, or such determination shall be made by independent legal counsel if such quorum is not obtainable, or, even if obtainable, a majority vote of a quorum of disinterested Trustees so directs. The reasonable expenses of any Trustee or officer, in prosecuting a successful claim for indemnification, and the fees and expenses of any special legal counsel engaged to determine permissibility of indemnification or advance of expenses, shall be borne by the Corporation.

Section 4. Contractual Obligation.

The obligations of the Corporation to indemnify a Trustee or officer under this Article IX, including the duty to advance expenses, shall be considered a contract between the Corporation and such Trustee or officer, and no modification or repeal of any provision of this Article IX shall affect, to the detriment of the Trustee or officer, such obligations of the Corporation in connection with a claim based on any act or failure to act occurring before such modification or repeal.

Section 5. Indemnification Not Exclusive: Inuring of Benefit.

The indemnification and advancement of expenses provided by this Article IX shall not be deemed exclusive of any other right to which one indemnified may be entitled under any agreement, vote of members, directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall inure to the benefit of the heirs, executors and administrators of any such person.

Section 6. Insurance, Security And Other Indemnification.

The Board of Trustees shall have the power to (i) authorize the Corporation to purchase and maintain, at the Corporation's expense, insurance on behalf of the Corporation and others to the extent that power to do so has not been prohibited by applicable law, (ii) create any fund of any nature, whether or not under the control of a trustee, or otherwise secure any of its indemnification obligations and (iii) give other indemnification to the extent not prohibited by statute.

UNITED WAY OF SOUTHEASTERN PENNSYLVANIA

Excerpt for Notice of Annual Meeting of Members

May 27, 1987

In addition to such other business as may properly come before such meeting, the Members will be asked to consider the amendments to the Corporation's Bylaws described below:

(i) a proposal will be made to add a new Section 8 to Article II of the Bylaws to obtain the protection for individual Trustees afforded by the new Pennsylvania Directors' Liability Act (the text of the proposed resolution setting forth the amendment is attached to this Notice for your review); and

(ii) a proposal will also be made to add a new Article to the Bylaws to provide for indemnification of Trustees and officers of the Corporation, as permitted under the Pennsylvania Directors' Liability Act and the Pennsylvania Nonprofit Corporation Law of 1972 (the text of the proposed resolution setting forth the amendment is attached to this Notice for your review).